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FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/49/559) on the financing of the United Nations Mission for the Referendum in Western Sahara (MINURSO). During the course of its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information to the Committee.

2. Section I of the report of the Secretary-General summarizes developments relating to MINURSO during the period as at 11 May 1994, that is, from the date of the last report on the financing of MINURSO. Among the developments was the adoption by the General Assembly of resolution 48/250 B of 23 June 1994, in which the Assembly authorized the Secretary-General to utilize $18.8 million gross from the unencumbered balance of the initial appropriation for the maintenance of MINURSO for the period from 1 April to 31 July 1994. In the same resolution, the Assembly authorized the Secretary-General to enter into commitments for the maintenance of the Mission at a rate not to exceed $3.4 million per month for the period from 1 August to 30 September 1994.

3. With regard to the period after 30 September 1994, the Advisory Committee, in its letter to the Secretary-General dated 7 October 1994, concurred in the entering into commitments not to exceed $6.1 million gross for the period from 1 October to 30 November 1994 under the terms of paragraph 1 of General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenses for the biennium 1994-1995.

4. The Advisory Committee notes that, in his report of 12 July 1994 to the Security Council on the situation concerning Western Sahara (S/1994/819), the Secretary-General indicated his intention to recommend that the transitional

period should start on 1 October 1994, that the referendum should take place on 14 February 1995 and that the withdrawal of MINURSO personnel should then begin. In his report of 5 November 1994 (S/1994/1257), the Secretary-General noted, however, that it was clear that many months would still be required to make sufficient progress in the identification process to be close to determining a date for the referendum and a revised timetable for the steps still to be taken in the implementation of the settlement plan. That development, in the view of the Committee, may significantly affect resource requirements for the Mission in the coming period.

5. The Advisory Committee was informed that the Secretary-General was currently preparing a report to be submitted shortly to the Security Council with an updated timetable for the referendum. In the meantime, as stated in paragraph 6 of his report of 20 October 1994 (A/49/559), the cost estimates included therein reflect activities in pursuance of Security Council resolution 907 (1994) of 29 March 1994.

6. As stated in paragraph 7 of the report, $140,911,223 was apportioned among Member States, against which payments of $120,550,059 had been received as at 30 September 1994, leaving an outstanding balance of $20,361,164 due from the Member States. In that connection, the Advisory Committee reiterates its view outlined in paragraph 29 of its report to the General Assembly at its forty-eighth session (A/48/906) that outstanding assessments, unless received in the coming months, will have a significant impact on cash flow and on the maintenance of the operation. This underlines the necessity of prompt payment of assessed contributions by Member States in accordance with the Financial Regulations.

7. A detailed description of voluntary contributions provided to MINURSO is contained in section IV (paras. 10-12) of the report of the Secretary-General (A/49/559). The Committee notes from paragraph 10 that during the period from 1 April to 30 September 1994 the Mission was provided with goods and services valued at $9.4 million for which no budgetary provision had been made. The Committee was informed that the cost estimates of $3 million for the maintenance of the Mission on a monthly basis for the period after 30 November 1994 also reflected requirements net of voluntary contributions.

8. In that connection, the Advisory Committee recalls that in paragraph 33 of its report to the General Assembly at its forty-fourth session (A/44/725), it had agreed with the Secretary-General that facilities such as office and residential accommodation, office furniture, vehicles or air transportation provided by Member States in whose countries United Nations peace-keeping operations were located, were not voluntary contributions per se, since there was an implicit obligation on the part of the State where the operation took place to facilitate its functioning. The Committee notes from table 2 of section IV, Voluntary contributions, that goods and services for which no budgetary provision had been made were provided to MINURSO during the period from 1 April to 30 September 1994 by Algeria, Morocco and the Frente POLISARIO. In that connection, the Advisory Committee requests the Secretary-General to look into the matter with a view to determining whether the provision of goods and services referred to in paragraph 10 of the report falls under the category of voluntary contributions.

9. Information on financial performance for the period from 1 January to 30 September 1994 is provided in paragraph 13 of the report and in its annexes I and II. The Committee notes that out of the unutilized balance of $3.3 million gross an amount of $2.4 million, or 72.7 per cent, relates to savings under civilian personnel costs resulting from the high vacancy rate in the period under review. Detailed information on savings of $2.4 million under civilian personnel costs is contained in paragraphs 4 to 9 of annex II to the report. The Committee points out that both the format of the presentation of financial performance and its content need to be improved substantially to make performance reporting more transparent and informative. For instance, paragraph 6 of annex II refers to the period from January to September 1994, while the table of that paragraph does not include data for the month of September; furthermore, instead of providing a satisfactory explanation of deviations from the approved budget, the report contains rather general statements, such as that savings "were due to non-utilization of the provision under the current contract" (annex II, para. 13), or that the additional requirements "are due to initial non-provision of funds for those purposes" (annex II, para. 16), and so on.

10. Section VIII of the report, Financial administration, contains a proposal that special arrangements as regards article IV of the Financial Regulations (similar to those contained in the annex to General Assembly resolution 47/210 B of 14 September 1993 regarding UNPROFOR) be applied to MINURSO. The details of the proposal are outlined in paragraph 19 of the report. The Advisory Committee agrees to the Secretary-General's proposal.

11. As indicated in table 1 of section III, Status of the unencumbered balance of appropriations, the total expenditure for the period from the inception of the Mission to 30 September 1994 and commitment authority granted by the Advisory Committee for the period from 1 October to 30 November 1994 amounts to $145.7 million gross, which exceeds the appropriation of $143 million by $2.7 million. In paragraphs 8 and 22 (b) of his report, the Secretary-General proposes that an additional appropriation in the amount of $2,670,350 gross be approved by the General Assembly for the period ending 30 November 1994. As indicated in paragraph 8 of the report of the Secretary-General, "on the other hand, on a net basis, the additional commitment authority of $5,600,200 is still within the initial appropriation and there is no need for additional assessment at the present time".

12. Annexes III and IV to the report of the Secretary-General contain a summary statement of and supplementary information on the cost estimates for the maintenance of the Mission on a monthly basis during the period after 30 November 1994. In that connection, the Committee notes that the report of the Secretary-General does not indicate the time-frame for which the authorization of $3.2 million gross per month is being requested. The Committee believes that such a time-frame should have been indicated in the report.

13. The Committee notes from paragraph 15 of the report that the monthly cost estimates of $3.2 million gross are based on the actual strength of the Mission of 153 internationally and 63 locally recruited staff as at 1 October 1994, rather than on the authorized staffing table and that, should an increase in staff resources over the current number now on board be required in the

implementation of the MINURSO mandate, additional funding would be sought from the General Assembly.

14. The estimates reflected in annex III of the report show that the monthly cost of $3.2 million gross for the maintenance of MINURSO during the period after 30 November 1994 is slightly higher than the average amount of monthly commitment authorized by the Committee for the period from 1 October to 30 November 1994. Upon inquiry as to justification for the increase, the Committee was informed that in view of the fact that the voluntary provision of three aircraft had been discontinued, following the withdrawal of the Swiss Medical Unit, the Mission would have to resort to the commercial hiring of aircraft. Furthermore, the replacement of the Swiss Medical Unit, which was provided to the United Nations free of charge, by a medical unit from the Republic of Korea also resulted in additional requirements under the budget line, Standard troop cost reimbursement.

15. The Committee was informed, upon inquiry, that the report erroneously showed the negative estimate of $161,600 in the first column of annex III; the first and the second lines of the initial cost estimates under budget line 6 (a), Helicopter operations, should read $602,800 and $158,300, respectively; this correction has no impact on the monthly cost estimates.

16. With regard to the estimates for rations, the Committee was informed, on inquiry, that the requirements should have been based on an average cost of $9.50 per person per day, rather than on $11 as indicated in paragraph 10 of annex IV; this correction would result in a decrease of $9,100 in the monthly cost estimates of $3.2 million gross.

17. The Committee notes that no provision is made for reimbursement to Governments for contingent-owned equipment, while the performance report for the period from 1 January to 30 September 1994 shows that $2.7 million was expended under that budget line. Upon inquiry, the Committee was informed that in view of the recent deployment of the medical unit from the Republic of Korea, the value of the related contingent-owned equipment has not yet been determined and therefore no provision for the reimbursement for the equipment was made in the monthly cost estimates. The related provision will be included in future cost estimates.

18. The monthly cost estimates for the period after 30 November 1994, as reflected in annex III of the report, do not contain a provision for the acquisition of vehicles. Nevertheless, in the view of the Committee, the current fleet of 286 vehicles for 538 staff/personnel, which represents a ratio of 1 vehicle to less than every 2 people of the Mission, including military personnel and local staff, is rather excessive. The Committee recommends, therefore, that the Secretary-General review the current fleet of vehicles in the Mission with a view to reducing the number of vehicles. Furthermore, the fleet of vehicles should be justified in terms of the established standard ratios of vehicles to different categories of staff and personnel, and by the operational requirements of the Mission.

19. Taking into account its observations in the paragraphs above, the Advisory Committee recommends approval of the Secretary-General's request for an

additional appropriation of $2,670,350 gross for the operation of MINURSO for the period ending 30 November 1994. With regard to the period after 30 November 1994, that Advisory Committee recommends that the Secretary-General be authorized to enter into commitments for the maintenance of the Mission at a rate not to exceed $3.2 million gross per month.